

SOLICITATION COMMENTS – 2006 COMMERCIAL FUNDRAISER ACTIVITY REPORT

Commercial Fundraisers listed on the report provided the following comments regarding their financial information:

A.C. Telemarketing, Inc.

“Our fundraising campaign does not solicit for cash or product sales. We solicit for used household goods and clothing - recycling goods otherwise wasted.”

Aaron Jones Yorke, IV

Aaron Jones Yorke confirmed that no funds were raised or received by Development Gateway Foundation as a result of its services during the last two months of 2005. Subsequently, the organization did not report any financial information for 2005.

Civic Development Group, LLC

WA State Firefighters Association conducted their own solicitation campaign during 2005 using Association employees. Due to high fundraising expenses, Civic Development Group did not receive any management consulting fees for 2005.

DialAmerica Marketing

“DialAmerica Marketing, Inc. conducts two types of fundraising, co-venture sale of magazine subscriptions and a business-to-business campaign. Pursuant to the terms of the magazine licensing agreements between DialAmerica Marketing, Inc. and the pertinent charitable organizations, it is understood that the charitable organizations will receive 12.5% of all subscriptions sold on their behalf. Donations are not solicited, magazines are offered at the lowest price available to the public, and customers are told that 12.5% of their subscription price will, in turn, be paid to the pertinent charitable organization by DialAmerica Marketing, Inc.”

DialogueDirect, Inc.

“Dialogue Direct secured 1177 long term sponsors for the charity. Each sponsor has committed to donate \$18 per month long term (average of 5 years). Some of the sponsors were secured early in the campaign year, others later. The total amount (gross receipts) received for 2004 was \$57,665. Dialogue Direct receives a unit cost per sponsor secured. The actual net to charity in year 1 was (-\$189,505). However, if the funds are projected out over the 5 years, the net to charity will be \$1,271,160 or a 500% return on investment.”

Elite Sponsors, LLC

“Elite Sponsors, LLC had a contractual relationship to conduct fundraising activities in Washington State in December of 2005, but was a new organization and had no business activity in 2005.”

Gordon and Schwenkmeyer

“The focus of Gordon & Schwenkmeyer's telemarketing donor development program is twofold: first, to identify and create new contributors to sustain and help an organization grow; second, to use the telephone as a valuable public education outreach tool to inform people about the organization's mission and programs. As with other small donor development programs, most telemarketing donor prospecting efforts generally yield very little net income. But without a constant infusion of new contributors, an organization cannot grow or expand its programs.”

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"Gordon & Schwenkmeyer's program does not require any direct funding from our clients. We realize that most of our clients have very limited funds to invest in donor development programs. At no time do we ask our clients for direct payment of the program's expenses, rather, the expenses are paid for by the returns generated from the calling and any deficit incurred by the donor prospecting program is financed, interest-free, by Gordon & Schwenkmeyer and repaid from the net income generated by resoliciting the newly developed donors. Once the initial program deficit has been repaid, all net income is distributed directly to our client."

Grassroots Voter Outreach, Inc.

"Environmental Action, Inc. hired Grassroots Voter Outreach (GVO) to conduct its first-ever door-to-door prospecting effort to identify and recruit new members in 2005, and the results of this effort are summarized in this financial report. As you can imagine with any prospecting campaign, a lot of money and resources had to be expended to search for and identify donors who were supportive, and the expense of this prospecting campaign exceeded the revenues raised as is often the case with prospecting efforts undertaken by any new charity. However please note that by educating the public on the issue of mercury pollution from power plants, and getting Washington State residents to take action on this and other issues, this door to door canvass engaged in valuable programmatic activity to help pass environmental laws. Therefore the donations of citizens collected thru this door canvassing effort has already gone directly to pay for programmatic work, but the format of this financial report did not allow us to numerically represent this important aspect of the fundraising campaign. In addition, Environmental Action has been doing follow-up solicitation with the donors who were identified during this door canvassing effort, and GVO anticipates that over time this will more than make up for whatever expenses of the canvassing campaign were not covered by revenues – raising additional resources over time for even more programmatic work. Finally a number of donors signed up by GVO have chosen to spread their support over time through monthly donations, the long-term ongoing value of which has not yet been captured in the financial report submitted to the state of Washington, so this financial report undercounts true revenues generated from the 2005 canvassing effort."

IDC, Ltd

"Ethical fundraising standards mandate that fundraising professionals not charge on a percentage basis. Further, please note that at no time does IDC control, manage or retain custody of any funds intended for any client. All funds are solely managed by the charitable organization."

Impact Fundraising, LLC

"Impact Fundraising, LLC had a contractual relationship to conduct fundraising activities in Washington State in December of 2005, but was a new organization and had no business activity in 2005."

Imperial Fundraising, LLC

"Imperial Fundraising, LLC had a contractual relationship to conduct fundraising activities in Washington State in December of 2005, but was a new organization and had no business activity in 2005."

Legacy Leaders, Inc.

"Legacy Leaders, Inc. runs Planned Giving campaigns for the charities it contracts with. Planned Gifts are gifts of estate, and are therefore deferred gifts. The money will begin to be realized after approx. 5 years, and will continue for another approx. 20 years. Legacy Leaders, Inc. charges a contract fee, and never has custody of the funds raised through the Planned Giving campaign."

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“Legacy Leaders has received no contributions to date for Yakima Valley Hospital.”

For fiscal-year end 4/30/2006:

“(a) Legacy Leaders, Inc. entered into a contractual agreement (dated Feb. 24, 2006) with Hopelink, to assist them with their planned giving goals; as part of this agreement Legacy Leaders charges a straight fee for the campaign.

(b) As part of campaign strategy, Legacy Leaders callers will contact donors and individuals who have had a long association with Hopelink to ask them to consider leaving a bequest gift to Hopelink, when they pass away.

(c) Actual phone solicitation for such, commenced October 18, 2006.

(d) Also noteworthy is that the nature of gifts sought by Legacy Leaders, Inc., on behalf of its client, Hope Link, are gifts of bequest which primarily means that the charity would receive a gift of estate, upon a donor passing away, which again based on the age group of the donors who make such a pledge, may take from 5-15 years to materialize. Such gifts would go directly to the charity. Legacy Leaders, Inc. would neither be involved in the process of such transfer, nor ever have custody of funds/such gifts from donors.”

Lester, Inc.

“Gross and net figures provided by charity. All contributions go directly to charity.”

National Community Development Services, Inc.

No financial activity to report for Washington for 2005. NCDS only conducted solicitations in Washington on behalf of Snohomish Co. Economic Development Council, which is not a charitable organization.

NFB Associates, Inc.

“The National Federation of the Blind of Washington contracts with NFB Associates to raise funds for the National Federation of the Blind of Washington. All money is deposited in bank accounts belonging to the National Federation of the Blind of Washington. No money may be withdrawn from these accounts without the signature of the President or Treasurer of the National Federation of the Blind of Washington. NFB Associates, Inc. regularly receives 25% of the money raised for fundraising services.”

Tele-Data Services, Inc.

“Risk Reduction Provision: The sole source of payment for TDSI’s calling invoices will be from funds received into the charity’s post office box or via credit card. The charity will count, sort, post and deposit all funds received from this campaign separately from any other ministry funds, and will apply all such funds received toward payment of TDSI’s calling invoices. Payment of TDSI will be made on a bi-weekly basis; up to the amount of funds received, but shall at not time exceed the total amount of outstanding TDSI invoices. Should there be any program net income after payment of all outstanding invoices, it shall be the sole property of the charity.

The charity further agrees that all funds received from TDSI contacted donors within 90 to 120 days, depending upon the charity, shall be applied to the outstanding TDSI calling invoices until all such invoices are paid in full. Should income in the required amount to pay all invoices not be generated within 90 to 120 days of the first contact, TDSI agrees to provide the charity a credit memo for the balance of outstanding calling invoices.

SOLICITATION COMMENTS CONT'

The value for question one needs to be changed from \$47,791.37 to \$83,556.37. The value for question two only includes funds received and retained by the charities within the first 90 to 120 days. We are in the process of obtaining the financial records from Promise Keepers, Oblate Missions and Cancer Recovery Foundation of America to show what they received and retained after that time period. These will be included in the "Supplemental Solicitation Report."

Together We Can Change The World, Inc.

"Together We Can Change the World, Inc. does not list any of their 150,000+ registered organizations because they are all donor-designated. TWCCTW operates an online Mall called Shop For Charity Day. They offer 1000+ stores for consumers to shop from, designating up to 75% of the purchase price back to any of the 150,000 organizations registered. The consumer also has the option of adding an organization they wish to support. 70% of all profits generated from shopping is returned back to the designated organization."

Univision Marketing Group, Inc.

"Univision specializes in the generation of sustained, multi-year monthly donation income for its clients. Therefore this limited time financial report cannot accurately reflect the true income generated by this campaign. The true income will be higher when the lifetime of the multi-year, monthly donations are included."

ADDITIONAL INFORMATION

The following commercial fundraisers had a contractual relationship with one or more charitable organizations during the fiscal/accounting year reported but indicated on their registration documents that they did not conduct solicitations in Washington State during the fiscal/accounting year reported:

East Coast Productions, Inc.

IDT Contact Services, Inc.

PhilanthroCorp

RuffaloCODY, LLC